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PART II—Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्याएँ जाती हैं जिससे कि यह अलग संक्लन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed
as a separate compilation.

MINISTRY OF LAW
(Legislative Department)

New Delhi, the 6th April, 1968/Chaitra 17, 1890 (Saka)

The following President's Acts are published for general information:—

THE UTTAR PRADESH OFFICIAL LANGUAGE
(SUPPLEMENTARY PROVISIONS) ACT, 1968

NO. 10 OF 1968

Enacted by the President in the Nineteenth Year of the
Republic of India.

An Act to provide for the publication of authoritative text in
Hindi of certain laws originally passed in English and to
amend the Uttar Pradesh Official Language Act, 1951.

In exercise of the powers conferred by section 3 of the Uttar
Pradesh State Legislature (Delegation of Powers) Act, 1968, the
President is pleased to enact as follows:—

Short title. 1. This Act may be called the Uttar Pradesh Official Language (Supplementary Provisions) Act, 1968.

Authorised Hindi trans- 2. A translation in the Hindi language published under the authority of the Governor in the Gazette—

Authorised Hindi trans- (a) of any Uttar Pradesh Act, passed originally in the English language; or

Authorised Hindi trans- (b) of any order, rule, regulation or bye-law issued in the English language by the Governor of the United Provinces or of Uttar Pradesh, under any law for the time being in force,

Authorised Hindi trans- shall be deemed to be the authoritative text thereof in the Hindi language.

3. In section 2 of the Uttar Pradesh Official Language Act, 1951, the words "within one year from the commencement of this Act" shall be omitted, and at the end the following proviso shall be added, namely:—

"Provided that the State Government may by general or special order in this behalf permit the use of the international form of Indian numerals for any official purpose of the State."

Repeal and savings. 4. (1) The Uttar Pradesh Official Language (Supplementary Provisions) Ordinance, 1968, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act, as if this Act had commenced on the 25th day of January, 1968.

U.P. Act
XXVI of
1951.

U.P. Ordinance I of
1968.

ZAKIR HUSAIN,

President.

V. N. BHATIA,

Secy. to the Govt. of India.

Reasons for the enactment

The Uttar Pradesh Language (Bills and Acts) Act, 1950 prescribed the Hindi language in Devanagari script as the language for use in Bills introduced in and Acts passed by the State Legislature. Even before the commencement of the Constitution, the Provincial legislature had towards the end of the year 1947 by resolution adopted the same language for Bills introduced in and Acts passed by it. Thus all Acts passed by the U.P. Legislature since then have been in Hindi. But authorised Hindi versions of the earlier Acts which were originally passed in English are not available.

2. Under the Uttar Pradesh Official Language Act, 1951, all orders, rules, regulations and bye-laws issued by the State Government under the Constitution or under any law made by Parliament or by the State Legislature have been issued in Hindi language and their authorised English translation has been published by the Governor under clause (3) of article 348 of the Constitution. But other statutory orders, rules, regulations and bye-laws made by authorities, other than the State Government, are available only in English.

3. It was considered necessary by the State Government to make available the authorised Hindi versions of the statutes referred to in paragraph 1 and orders, rules, regulations, etc., referred to in paragraph 2. In pursuance of its policy to extend the use of Hindi for all official purposes, it was also imperative to amend suitably section 2 of the Uttar Pradesh Official Language Act, 1951. Accordingly, the Uttar Pradesh Official Language (Supplementary Provisions) Ordinance, 1968 (U.P. Ordinance I of 1968) was promulgated by the Governor on January 25, 1968.

4. The proposed measure seeks to replace the aforesaid Ordinance.

5. The Committee constituted under the proviso to sub-section (2) of section 3 of the Uttar Pradesh State Legislature (Delegation of Powers) Act, 1968 (7 of 1968) has approved the enactment of this measure as a President's Act.

L. P. SINGH,
*Secy. to the Govt. of India,
Ministry of Home Affairs.*

THE UTTAR PRADESH SALES TAX (AMENDMENT) ACT, 1968

No. II OF 1968

Enacted by the President in the Nineteenth Year of the
Republic of India.

An Act further to amend the Uttar Pradesh Sales Tax
Act, 1948.

7 of 1968. In exercise of the powers conferred by section 3 of the Uttar
Pradesh State Legislature (Delegation of Powers) Act, 1968, the
President is pleased to enact as follows:—

1. This Act may be called the Uttar Pradesh Sales Tax Short
(Amendment) Act, 1968.

Insertion
of new sec-
tion 4-B.

2. After section 4-A of the U.P. Sales Tax Act, 1948 (hereinafter U.P. Act referred to as the principal Act), the following section shall be ^{XV of 1948.} inserted, namely:—

Special re-
lief to cer-
tain manu-
facturers.

“4-B. (1) Notwithstanding anything contained in sections 3, 3-A, 3-AA and 3-D,—

(a) where any goods liable to tax under section 3-D are purchased by a dealer who is liable to tax on the turnover of his first purchases under that section, and the dealer holds a recognition certificate issued under sub-section (2) in respect thereof, he shall be liable in respect of these goods to tax at such concessional rate, or be exempt from tax, as may be notified in the Gazette by the State Government in this behalf;

(b) where any goods liable to tax under any other section are sold by a dealer to another dealer and such other dealer furnishes to the selling dealer in the prescribed form and manner a certificate to the effect that he holds a recognition certificate issued under sub-section (2) in respect thereof, the selling dealer shall be liable in respect of these goods to tax at such concessional rate, or be exempt from tax, as may be notified in the Gazette by the State Government in this behalf.

(2) A dealer who requires any goods referred to in sub-section (1) for use as raw material for the purposes of manufacture in the State of Uttar Pradesh of any notified goods and such notified goods are intended to be sold by him in the State or in the course of inter-State trade or commerce or in the course of export out of India, may apply within such period and in such form and manner, as may be prescribed, to the assessing authority for the grant of a recognition certificate in respect thereof and if the applicant satisfies such requirements and conditions as may be prescribed, the assessing authority shall grant to the dealer in respect of such goods a recognition certificate in such form and subject to such conditions as may be prescribed.

Explanation.—For the purpose of this sub-section—

(a) accessories and component parts used in the manufacture of notified goods by a dealer shall also be treated as raw material of such notified goods;

(b) "notified goods" means such goods as may from time to time be notified in the Gazette by the State Government in this behalf.

(3) The assessing authority may, where it appears to it to be necessary for the safety of the revenue so to do, impose as a condition of issue of recognition certificate under sub-section (2), or impose from time to time as may be necessary as condition of the continuance in effect of such recognition certificate, a requirement that the dealer shall furnish such security as it may specify for the due observance of the conditions of the recognition certificate.

(4) (i) Where the assessing authority is satisfied that the dealer in whose favour the recognition certificate in respect of any goods was granted under sub-section (2)—

(a) has discontinued the manufacturing business for the purpose whereof the recognition certificate was granted; or

(b) has made a breach of any condition of the recognition certificate; or

(c) has failed to furnish the security required under sub-section (3); or

(d) is a firm, association or joint Hindu family which, within the meaning of the *Explanation* to sub-section (1) of section 18, is deemed to have discontinued its business,

such authority may, either of its own motion or on the application of the dealer, cancel the recognition certificate with effect from such date as it may specify.

(ii) The assessing authority may amend a recognition certificate granted under sub-section (2) either of its own motion or on the application of the dealer, where the dealer has changed the name or place of his business or has closed down any branch or has opened a new branch or for any other sufficient reason:

Provided that no recognition certificate shall be cancelled or amended by the assessing authority of its own motion except after a reasonable opportunity of being heard has been given to the dealer.

(5) Where a dealer in whose favour a recognition certificate has been granted under sub-section (2) has used the goods after

their purchase at the concessional rate or without payment of the tax for a purpose other than that for which the recognition certificate was granted or has otherwise disposed of the said goods, such dealer shall be liable to pay as penalty an amount—

(a) not less than the difference between the amount of the tax on the sale or purchase of such goods payable under section 3, section 3-A, section 3-AA, or section 3-D, as the case may be, and the amount of the tax payable at concessional rate under this section, where the goods are purchased at the concessional rate; and

(b) not less than the amount of the tax payable under section 3, section 3-A, section 3-AA, or section 3-D, as the case may be, where the goods are purchased without payment of the tax,

but not exceeding three times the amount of such difference or of the tax, as the case may be:

Provided that no penalty shall be imposed by the assessing authority under this sub-section except after a reasonable opportunity of being heard has been given to the dealer:

Provided further that no prosecution under section 14 shall be instituted in respect of the same facts on which a penalty imposed under this sub-section has been paid in addition to the tax due.

(6) Where a dealer in whose favour a recognition certificate has been granted under sub-section (2) has sold the notified goods otherwise than in the State of Uttar Pradesh or in the course of inter-State trade or commerce or in the course of export out of India or has despatched such goods to a place outside the State except as a direct result of sale or purchase in the course of inter-State trade or commerce or in the course of export out of India, such dealer shall be liable to pay an amount, which shall be equal to the difference between the amount of the tax on the sale or purchase of such goods payable under section 3, section 3-A, section 3-AA, or section 3-D, as the case may be, and the amount of the tax payable at concessional rate under this section, where the goods are purchased at the concessional rate, or which shall be equal to the tax payable under section 3, section 3-A, section 3-AA, or section 3-D, as the case may be, where the goods are purchased without payment of the tax.

74 of 1956.

(7) Sections 3, 4 and 5 of the Central Sales Tax Act, 1956, shall apply for determining whether or not a particular sale or purchase takes place in the course of inter-State trade or commerce or in the course of export out of India.”.

3. In section 8-A of the principal Act, for the provisos to sub-section (6), the following provisos shall be substituted, namely:— <sup>Amend-
ment of
section 8-A.</sup>

“Provided that an appeal shall lie under section 9 against an order demanding security under this sub-section:

Provided further that a person aggrieved by an order of the appellate authority may within thirty days of the service of the order on him, but after furnishing the security go in revision to the revising authority which may pass such order as it may think fit.”.

4. In section 9 of the principal Act,—

(a) in sub-section (1), for the words, figures and letter “a penalty under section 15-A”, the following shall be substituted, namely:— <sup>Amend-
ment of
section 9.</sup>

“a penalty under sub-section (5) of section 4-B or under section 13-A or under section 15-A or an order demanding security under sub-section (3) of section 4-B or under sub-section (6) of section 8-A or an order cancelling or amending a recognition certificate under sub-section (4) of section 4-B”;

(b) in sub-section (3), after sub-clause (1) of clause (d), the following sub-clauses shall be inserted, namely:—

“(1-a) confirm, set aside or modify the order demanding security under sub-section (3) of section 4-B or under sub-section (6) of section 8-A, or

(1-b) confirm, set aside or modify the order cancelling or amending a recognition certificate under sub-section (4) of section 4-B, or”;

(c) after sub-section (6), the following sub-section shall be inserted, namely:—

“(7) The appellate authority shall be under the superintendence and control of the Commissioner of Sales Tax:

Provided that in the exercise of such superintendence and control, no orders, instructions or directions shall be given by the Commissioner of Sales Tax so as to interfere with the discretion of the appellate authority in the exercise of its appellate functions.”.

Amend-
ment of
section 10.

5. Sub-section (2) of section 10 of the principal Act shall be omitted.

Amend-
ment of
section 13.

6. In section 13 of the principal Act,—

(a) in sub-section (2), after the words "such officers", the words "not below the rank of an assessing authority" shall be inserted;

(b) in sub-section (3), the words ", not being an Assistant Sales Tax Officer or an officer below that rank," shall be omitted; and

(c) after sub-section (4), the following sub-sections shall be inserted, namely:—

"(4-A) An officer authorised to act under sub-section (2),—

(i) shall have the power to seal the office, shop, godown, vessel, vehicle or any box, almirah or other receptacle found on such office, shop, godown, vessel or vehicle in which he has reason to believe that any account, register or other documents or goods are kept or contained, if the owner or the person in occupation or incharge of such office, shop, godown, vessel, vehicle or box, almirah or other receptacle leaves the place or is not available or fails or refuses to open it when called upon to do so;

(ii) where the owner or other person in occupation or incharge of the office, shop, godown, vessel or vehicle or of the box, almirah or other receptacle found on the office, shop, godown, vessel or vehicle is present but leaves the place or after an opportunity having been given to him to do so fails to open, as the case may be, such office, shop, godown, vessel, vehicle or box, almirah or other receptacle, may break open the same and prepare a list of the goods and documents found therein.

(4-B) An officer exercising powers under sub-section (4-A) may take the assistance of any police officer or any other officer of the State.

(4-C) No person shall tamper with any seal put under sub-section (4-A).".

Insertion of new section 13-A. 7. After section 13 of the principal Act, the following section shall be inserted, namely:—

"13-A. (1) An officer authorised under sub-section (2) of ^{Power to seize and confiscate.} section 13 shall have the powers to seize any goods—

(i) which are found in the dealer's office, shop, godown, vehicle, vessel or any other building or place; or

(ii) which such officer has reason to believe to belong to the dealer and which are found in any office, shop, godown, vehicle, vessel or building or place,

but are not accounted for by the dealer in his accounts or registers or other documents maintained in the course of his business:

Provided that a list of all the goods seized under this sub-section shall be prepared by such officer and be signed by the officer and not less than two respectable witnesses.

(2) The dealer whose goods have been seized under sub-section (1) shall be liable to pay a penalty, not exceeding three times the amount which may become payable as tax in respect thereof, as may be imposed by the assessing authority:

Provided that no penalty shall be imposed under this sub-section except after a reasonable opportunity of being heard has been given to the dealer:

Provided further that no prosecution under section 14 shall be instituted in respect of the same facts on which a penalty imposed under this sub-section has been paid in addition to the tax due.

(3) The goods seized under sub-section (1) shall be released by the officer seizing the same under the said sub-section or by the assessing authority, on furnishing such security for payment of the penalty which may be imposed under sub-section (2) as may be required by such officer or authority, as the case may be.

(4) The goods seized under sub-section (1) may be confiscated by the assessing authority where the dealer fails within the prescribed period to pay the penalty imposed in respect thereof."

8. In section 14 of the principal Act,—

(a) in sub-section (1)—

(i) for clause (c), the following clause shall be substituted, namely:—

Amendment
of section
14.

"(c) being liable to pay the tax under this Act, carries on business as a dealer without applying for registration under and in accordance with section 8-A; or";

(ii) for the words "one thousand rupees", the words "two thousand rupees" shall be substituted; and

(iii) the following proviso shall be inserted at the end, namely:—

"Provided that in the event of a second or subsequent conviction under clause (a) of this sub-section, the minimum punishment to be awarded shall be a fine of five hundred rupees or the amount of the tax involved in the offence, whichever is less.";

(b) in sub-section (2)—

(i) after clause (a), the following clauses shall be inserted, namely:—

"(aa) uses any goods purchased at concessional rate, or without payment of any tax, under section 4-B for a purpose other than that for which a recognition certificate was granted under that section, or otherwise disposes of such goods; or

(aaa) being liable to pay the tax under this Act, fails to submit without reasonable cause return of his turnover under the provisions of this Act or the rules thereunder or fails to deposit the tax before or along with the return as provided in sub-section (1-A) of section 7, or";

(ii) for clause (f), the following clause shall be substituted, namely:—

"(f) obstructs or prevents an officer empowered under section 13 from performing any of the functions specified in sub-sections (2), (3), (4), (4-A), and clause (a) of sub-section (5) of section 13 and in sub-section (1) of section 13-A, or";

(iii) after clause (f), the following clause shall be inserted, namely:—

"(ff) tampers with any seal put under sub-section (4-A) of section 13; or";

(iv) for the words "six months", the words "one year" shall be substituted; and

(v) the following proviso shall be inserted at the end, namely:—

"Provided that in the event of a second or subsequent conviction, the minimum punishment to be awarded shall be simple imprisonment for a term of three months.".

9. Sub-section (5) of section 15-A of the principal Act shall be omitted. Amendment of section 15-A.

10. In sub-section (2) of section 24 of the principal Act, the word "and" occurring at the end of clause (g) shall be omitted, and after ^{Amendment of section 24.} that clause, the following clauses shall be inserted, namely:—

"(gg) the manner of putting seals under sub-section (4-A) of section 13 and the manner in which and by whom the same shall be removed and for the custody of sealed property and other goods and documents referred to in that sub-section;

(ggg) the custody of the goods seized under section 13-A; and".

U.P. Ordinance IV of 1968. 11. (1) The Uttar Pradesh Bikri-Kar (Sanshodhan) Adhyadesha, ^{Repeal and saving.} 1966, is hereby repealed.

U.P. Ordinance IV of 1967. (2) Notwithstanding such repeal, anything done or any action taken under the said Adhyadesha or under the Uttar Pradesh Bikri Kar (Sanshodhan) Adhyadesha, 1967, shall be deemed to have been done or taken under this Act, as if this Act had commenced on the 27th day of November, 1967.

ZAKIR HUSAIN,

President.

V. N. BHATIA,

Secy. to the Govt. of India.

Reasons for the enactment

On 30th January, 1968, the Governor of Uttar Pradesh promulgated the Uttar Pradesh Bikri-Kar (Sanshodhan) Adhyadesha, 1968 (U.P. Ordinance IV of 1968) which provides for the amendment of the U.P. Sales Tax Act, 1948 (U.P. Act XV of 1948) for the following purposes—

- (i) Power was obtained to exempt from tax or to tax at such concessional rate as may be notified by the State Government, sales to manufacturers of goods required by them for use as raw material for the purpose of manufacture in U.P. of any notified goods.
- (ii) It was provided that the appellate authorities be placed under the control of the executive head of the Department.
- (iii) The assessing authority may exercise his powers to demand security before granting a registration certificate to a dealer, without obtaining the prior approval of the Commissioner of Sales Tax.
- (iv) Assistant Sales Tax Officers who are assessing authorities in the State were authorised to exercise powers of search and to seal.
- (v) Assessing authorities were empowered to seize and confiscate the unaccounted for goods.
- (vi) Penal provisions were made more stringent by raising the monetary quantum of penalty leviable from Rs. 1,000 to Rs. 2,000 and the period of imprisonment from six months to one year. Provision was also made to award a minimum punishment of simple imprisonment for a period of three months, in respect of subsequent offences.

2. The present measure seeks to replace the said Ordinance.

3. The Committee constituted under the proviso to sub-section (2) of section 3 of the Uttar Pradesh State Legislature (Delegation of Powers) Act, 1968 (7 of 1968) has approved the enactment of this measure as a President's Act.

T. P. SINGH,
Secy. to the Govt. of India,
Ministry of Finance.

THE UTTAR PRADESH NAGAR MAHAPALIKAS
(ALPAKALIK VYAVASTHA) (SANSHODHAN)
ACT, 1968

NO. 12 OF 1968

Enacted by the President in the Nineteenth Year of the
Republic of India.

An Act to amend the Uttar Pradesh Nagar Mahapalikas
(Alpakkalik Vyavastha) Adhiniyam, 1966.

In exercise of the powers conferred by section 3 of the Uttar
Pradesh State Legislature (Delegation of Powers) Act, 1968, the
President is pleased to enact as follows:—

1. This Act may be called the Uttar Pradesh Nagar Mahapalikas ~~Short title.~~
(Alpakkalik Vyavastha) (Sanshodhan) Act, 1968.

2. In the Uttar Pradesh Nagar Mahapalikas (Alpakkalik Vyavastha) Amend-
ment of sec-
Adhiniyam, 1966, in the opening paragraph of section 2, for the words ~~tion 2.~~
"two years", the words "two years and five months" shall be
substituted.

3. The Uttar Pradesh Nagar Mahapalikas (Alpakkalik Vyavastha) ~~Repeal.~~
(Sanshodhan) Adhyadesha, 1968, is hereby repealed.

U.P. Act

IV of 1966.

U.P. Ordin-
nance II of
1968.

ZAKIR HUSAIN,
President.

V. N. BHATIA,
Secy. to the Govt. of India.

Reasons for the enactment

The last general elections to the Nagar Mahapalikas in the State of Uttar Pradesh were held in 1959-60 and the Mahapalikas were due to complete six years of their term including extended periods on January 31, 1966. It was not considered desirable to extend their term further without their seeking fresh mandate from the electorate. At the same time arrangements for holding fresh general elections to these bodies could not be made due to the national emergency. And accordingly by the Uttar Pradesh Nagar Mahapalikas (Alpakkalik Vyavastha) Adhiniyam, 1966, the powers, functions and duties of the Mahapalikas, its Nagar Pramukhas, Up Nagar Pramukhas, Executive Committees and other committees and of the Mukhya Nagar Adhikari were vested with effect from 1st February, 1966, for a period of two years in the Administrators appointed by the State Government. It was expected that the elections under the Uttar Pradesh Nagar Mahapalika Adhiniyam, 1959, would be held before 1st February, 1968, but for certain unavoidable reasons these elections could not be held by this date and it became necessary to extend the term of the Administrators. With this end in view the Uttar Pradesh Nagar Mahapalikas (Alpakkalik Vyavastha) (Sanshodhan) Adhyadesha, 1968, was promulgated by the Governor on January 27, 1968, whereby the term of the Administrators was extended up to the end of June, 1968.

2. The proposed measure seeks to replace the aforesaid Ordinance.
3. The Committee constituted under the proviso to sub-section (2) of section 3 of the Uttar Pradesh State Legislature (Delegation of Powers) Act, 1968 (7 of 1968) has approved the enactment of this measure as a President's Act.

GOVIND NARAIN,

Secy. to the Govt. of India,

Ministry of Health, Family Planning and Urban Development

THE UTTAR PRADESH KRISHI UTPADAN MANDI
(AMENDMENT AND VALIDATION) ACT, 1968

NO. 13 OF 1968

Enacted by the President in the Nineteenth Year of the Republic of India.

An Act to amend the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964 and to validate certain declarations relating to Market Areas and Market Yards, and the bye-laws, constitution and functions of certain Market Committees.

7 of 1968. In exercise of the powers conferred by section 3 of the Uttar Pradesh State Legislature (Delegation of Powers) Act, 1968, the President is pleased to enact as follows:—

1. This Act may be called the Uttar Pradesh Krishi Utpadan Short title. Mandi (Amendment and Validation) Act, 1968.

2. Notwithstanding anything contained in sections 5, 6 and 8 of the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964 (hereinafter referred to as the principal Act), or in any rule made under that Act—

Certain declarations of Market Areas and additions to Market Areas not to be invalid.

(a) no declaration made or purporting to have been made prior to the commencement of the Uttar Pradesh Krishi Utpadan Mandi (Amendment and Validation) Ordinance, 1968 (hereinafter referred to as the Ordinance), under sub-section (1) of section 5 or under section 6 of the principal Act; and

(b) no order made or purporting to have been made, prior to such commencement, under sub-section (1) of section 8 of the principal Act for including any area in a Market Area.

U.P. Ordinance
V of 1968.

shall be invalid or be deemed ever to have been invalid on the ground that the same was made only by notification in the Gazette and not in the prescribed manner.

3. (1) Where, prior to the commencement of the Ordinance, any area has been declared or purports to have been declared under section 7 of the principal Act to be the Principal Market Yard or Sub-Market Yard of the Market Area specified in that declaration,

Certain declarations of Principal Market

Yards or
Sub-Market
Yards not
to be in-
valid.

and such area was not a portion of that Market Area, then, notwithstanding anything contained in sections 5, 6 and 7 of the principal Act or in any rule made under that Act—

(a) such area shall be deemed to have been validly declared under section 6 of the principal Act as a part of the Market Area with effect from the date specified in the declaration in respect of such Market Area under the said section;

(b) such area shall be deemed to have been validly declared as the Principal Market Yard, or the Sub-Market Yard, as the case may be, of that Market Area, with effect from the date specified in the declaration in respect of such Principal Market Yard or Sub-Market Yard under section 7 of the principal Act.

(2) Any person aggrieved by the inclusion of any area in a Market Area by virtue of the provisions of clause (a) of sub-section (1) may prefer any objection against such inclusion within twenty-one days, from the commencement of the Ordinance. Such objections shall be addressed to the Director, who shall forward the same, with his comments thereon, to the State Government and the State Government shall consider such objections and, may, where it considers it necessary or expedient in the public interest so to do, by notification in the Gazette, order that the whole or any specified portion of such area shall, with effect from such date as may be specified in that order, be excluded from the Market Area concerned and, thereupon, the area so excluded shall be deemed, from the date so specified, to be so excluded under clause (b) of sub-section (1) of section 8 of the principal Act and the provisions of that Act shall apply as if the area was excluded under clause (b) of sub-section (1) of the said section 8.

Amendment of section 14. 4. In section 14 of the principal Act, for sub-section (1), the following sub-section shall be, and shall be deemed always to have been, substituted, namely:—

Constitution of first Committee or a new Committee.

“(1) The State Government shall, by notification in the Gazette, appoint all the members of the first Committee, or of a new Committee mentioned in clause (b) of sub-section (2) of section 8, including the Chairman and the Vice-Chairman, from amongst the persons, who in the opinion of the State Government are suitable to represent different interests referred to in sub-section (1) of section 13.”.

Certain Market Committees 5. (1) Every first Committee or a new Committee constituted, prior to the commencement of the Ordinance, under the provisions of

the principal Act, shall be deemed always to have been validly and their constituted according to the provisions of section 14 of the principal ^{acts not to be invalid.} Act, as amended by the Ordinance.

(2) Notwithstanding anything contained in sections 5, 6, 7 and 8 of the Principal Act, or in any rule made under that Act—

(a) a committee referred to in sub-section (1) shall not be deemed ever to have been invalidly constituted;

(b) any power exercised, functions performed or act done by such a committee shall not be deemed ever to have been invalidly exercised, performed or done,

on the grounds that the Market Area or the Principal Market Yard, or Sub-Market Yard, as the case may be, was not declared, or any area was not included in that Market Area, in accordance with the provisions of section 5, section 6, section 7 or section 8 of the principal Act, or of any rule made under that Act.

6. In section 39 of the principal Act, for the proviso to sub-section (1), the following proviso shall be, and shall be deemed always to have been, substituted, namely:—

Amendment of section 39.

“Provided that no bye-law, other than a bye-law made by adopting a draft or model bye-law suggested by the Director, shall be valid unless approved by the Director.”.

7. Where any bye-law made by a Market Committee under sub-section (1) of section 39 of the principal Act has, prior to the commencement of the Ordinance, been approved by the Director, then, notwithstanding anything contained in the said sub-section (1) of section 39 of the principal Act, such bye-law shall be, and shall be deemed always to have been, valid with effect from the date it was so made.

Certain bye-laws not to be invalid.

U. P. Ordinance V of 1968.

8. (1) The Uttar Pradesh Krishi Utpadan Mandi (Amendment and Validation) Ordinance, 1968, is hereby repealed.

Repeal and savings.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act, as if this Act had commenced on the 15th day of February, 1968.

ZAKIR HUSAIN,
President.

—
V. N. BHATIA,
Secy. to the Govt. of India.

Reasons for the enactment

The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964, provides for the regulation of sale and purchase of agricultural produce and for the establishment, superintendence and control of markets therefor in Uttar Pradesh. In respect of certain Market Areas, the notifications under sections 5 and 6 were published only in the Gazette and not in the prescribed manner. Similarly, certain notifications under section 8 were published only in the Gazette. Compliance of the provisions of section 7 was not made in respect of certain Principal Market Yards and Sub-Market Yards inasmuch as the areas of such yards were omitted from being declared as part of the Market Areas. Section 39 of the Adhiniyam provides that bye-laws made by Mandi Samitis shall not be valid unless approved by the Director of Agriculture. Model bye-laws were supplied to the Market Committees and were duly adopted by them but some of the Samitis started acting on those bye-laws before the bye-laws were formally approved by the Director.

2. Out of 29 main markets regulated so far, traders of 19 markets challenged the validity of the declaration of the Market Yards and the functioning of the Mandi Samitis through writ petitions filed in the Allahabad High Court on the ground *inter alia* that the provisions of the Adhiniyam have not been fully complied with as aforesaid. The High Court passed stay orders in some of the writ petitions and consequently the work relating to regulation of sale and purchase of agricultural produce came to a standstill. In order to validate all such declarations and bye-laws, the Uttar Pradesh Krishi Utpadan Mandi (Amendment and Validation) Ordinance, 1968 (U.P. Ordinance V of 1968) was promulgated by the Governor on February 15, 1968.

3. The proposed measure seeks to replace the aforesaid Ordinance.

4. The Committee constituted under the proviso to sub-section (2) of section 3 of the Uttar Pradesh State Legislature (Delegation of Powers) Act, 1968 (7 of 1968) has approved the enactment of this measure as a President's Act.

B. SIVARAMAN,
Secy. to the Govt. of India,
Ministry of Food, Agriculture,
Community Development
and Co-operation.